

Are there any questions?

Mr. Keogh.

Mr. KEOGH. Mr. Chairman, I have no questions, but I cannot let the opportunity of the appearance of my old friend and neighbor from New York go by unnoticed.

I compliment Mr. Burger on his devotion to his work here in Washington.

The CHAIRMAN. He is one of the greatest friends of small business in the United States.

Thank you, Mr. Burger.

Mr. BURGER. Thank you.

The CHAIRMAN. Our next witness is Mr. Herbert C. Holdridge, Sherman Oaks, Calif.

For the benefit of the record, will you please give your name, address, and the capacity in which you appear.

STATEMENT OF HERBERT C. HOLDRIDGE, PRESIDENT, MINUTE MEN FOR THE CONSTITUTION, INC.

Mr. HOLDRIDGE. I am Brig. Gen. Herbert C. Holdridge, United States Army, retired, and I reside at Sherman Oaks, Calif.

I am appearing before this committee as an individual, exercising my constitutional right to petition for a redress of grievances on the issue of taxation by confiscation; as a public servant, sworn to defend the Constitution of the United States, and as spokesman for the Minute Men of the Constitution, Inc., of which I am president, an organization dedicated to our American way of life, as expressed in the American Declaration of Independence and in the Constitution.

I wish to have it made a part of the record that as I counted here, we have six members of the committee present for my testimony.

I am appearing before this committee in uniform probably as a gesture of superpatriotism, but I do remember that I entered West Point in 1913, when I took my first oath of office to defend the Constitution of the United States. That is 40 years ago. I served honorably in the Army for 30 years, and I am now retired, and I am still a part of the military service.

I am here to defend the Constitution against attack from one of the most vicious organizations in the history of the country, in my opinion, and as I shall present it, and I come here also in uniform because I hope I can conduct myself with the dignity necessary for a man in the military service wearing the uniform of his country.

I have certain credentials which I wish to present, but I am going to cut them down a bit. I am sure the members of the committee have received many letters, asking me to testify. I have received those today, that were waiting for me here in this office.

I should like to read one telegram which I think summarizes the feelings of the people for whom I speak. I do not speak for big business. I do not speak for little business, except by indirection and for their favor.

I am speaking for the little people, the inarticulate people who have no one to speak for them in the United States. This gives the general feeling of these people.

This day may go down in history for this Nation. May your words ring clear and loud in the hearts of the Congressmen who will hear you. This Nation is on the brink of real danger, far greater than any outside threat.

Yours very sincerely.

I wish to present for the record, and I have turned it over to the clerk for the record, my news notes, Holdridge News Notes No. 23, including a statement bankers magic, which is included with it.

I have also a statement sent in from the National Dividends Union, from Oakland, Calif. I had only one copy. The original was directed to Chairman Mills. I have sent for other copies which I hope will be available by tomorrow morning, by airmail.

Also, I am offering my own suggested solution for the conditions which I see before the country, blueprint for economic democracy. I should like permission to have those placed into the record as part of the record.

The CHAIRMAN. Are they voluminous, General?

Mr. HOLDRIDGE. No; they are not. The blueprint for economic democracy is rather voluminous. That is for information rather than reprinting, if it suits the convenience of the committee.

The CHAIRMAN. We will let the rest of it appear in the record at this point. You can leave copies of the blueprint for members of the committee.

(The blueprint for economic democracy is on file with the committee.)

(The other material referred to follows:)

OAKLAND, CALIF., January 3, 1958.

Congressman WILBUR MILLS,

Chairman, House Ways and Means Committee,

Washington, D. C.

(Copies also addressed to Senators Humphreys, Kefauver, Wayne Morse, and the people's representatives in Washington, and to the gentlemen of the Supreme Court.)

DEAR SIRS: It is my understanding that the House Ways and Means Committee is holding hearings relative to the Federal Reserve Banking System and to the question of money.

My friend Gen. Herbert O. Holdridge has informed me that he has asked for a hearing before that committee and that he has been allowed 15 minutes to present his case. Having studied this question for some time, I know that it will take a great many 15-minute periods to adequately present a case to Congress showing why the Federal Reserve Act should be amended and why the fundamental, constitutional right to "coin, print, and regulating the value of money" should be restored back to Congress where it belongs * * * to you gentlemen who are in Washington because you swore to uphold the Constitution and promised to work in the best interests of the people.

I would like to know how the general's 15 minutes compares with the time allowed to the representatives of the banking interests, who own and control the Federal Reserve banks * * * which, incidentally, is not "Federal in the least, but so named to mislead the people."

General Holdridge is not speaking for himself alone, nor for me and the members of our Democratic Club, but for the millions of American people whose lives and interests and general welfare is daily affected by the actions of this private corporation which has usurped the functions allotted to Congress alone by the Constitution, and who manipulates the privilege of "printing and evaluating money," not in the people's best interests, but to enhance their own.

Having studied this question, I have observed that the Federal Reserve Act—which took away from Congress its most important function—was brought about through irregular methods, and was passed through Congress during the holiday season when many legislators were at home for the holidays.

I well understand that this action took place before your time, but what I cannot understand is why you allow it to be perpetuated and why you acquiesce before this un-American, unconstitutional act, which—to anyone who understands it—is the greatest fraud ever perpetrated upon the American people.

Nor can I understand why the gentlemen of the Supreme Court have not declared this act to be unconstitutional * * * thus far.

Do we, the citizens—who must struggle from morning till night to earn a living—have to look up to a retired Army general to do a job which you promised to do * * * when you promised the people to work in their best interests, and swore to uphold the Constitution * * * which stipulates that the "purpose of government is to promote the general welfare"?

When Drew Pearson publishes an article (October 14, 1953) to the effect that the banking interests have bought Government bonds with money which the Government had on deposit in their Federal Reserve banks, why was there silence on Capitol Hill by the Representatives who had promised to work in the people's best interests?

We now have a national debt of \$280 billion, for which we are paying \$8 billion interest annually. According to California State Senator Richards, who was a candidate for United States Senator in 1950, "of all the stocks and bonds (representing the basic wealth of the Nation), 84 percent is owned by six-tenths of 1 percent of the people." According to the laws of mathematics, this leaves 16 percent of the basic wealth of the Nation for the rest of the population—90.4 percent of them—to scramble after, and leaves me and millions of others to wonder and ask "What kind of general welfare is being promoted on Capitol Hill"?

According to Richards, these statistics are available to all legislators who would but look to find them.

In view of the above, a most important question arises: Since 84 percent of \$280 billion in bonds (our national debt) amounts to \$235 billion and is owned by six-tenths of 1 percent (that small handful in Wall Street), where did they ever get that much money to buy that amount of bonds? Has there ever been that amount of money in circulation? Since we only have \$21 billion in gold reserves (which is the backing for printed currency), how was this money printed, and with what backing?

When we the people buy Government bonds, we must pay for them in hard earned cash, but—according to former Federal Reserve Bank "Governor" Marriner Eccles—the way the big banking interests manipulate their Federal Reserve "System," all they have to do to get Government bonds, is to "create" (by a pen and ink bookkeeping entry into their ledgers) the "money" (currency) with which they "buy" Government bonds.

This is the secret of how and where they got those \$235 billion with which they "bought" the bonds, and for this, we have to pay them \$6 billion annually, in interest alone.

Imagine what a howl would be let loose by our more ardent "patriots" (of the 200 percent variety) if someone advocated a \$6 billion program for housing, or for water and soil conservation, or for schools, or health insurance * * * which would greatly benefit our people? This group would raise the Capitol's dome, with their yells of "extravagance," "waste," "socialistic," "communism," etc., but this same group will be in the forefront to aid the bankers to maintain their illegal stranglehold upon what—by every known law—belongs to the people.

Would it be too much to ask that you gentlemen take some time off from your frenzied attempts "to catch up with the Russians" and try to "catch up" with the "rascals" of Wall Street, who have made a shambles of our great American institution of democracy and are daily degrading our people, morally, physically, and spiritually, by withholding from them, their natural heritage of the physical resources of the land, from which they would realize "the more abundant life."

And may I remind you gentlemen that as long as you are too absorbed in the "missiles" program, you will be missing your opportunity of finding out why the big banking interests—who also own the productive facilities of missiles, and thereby profit doubly, and their spokesmen in the highest places in Government—want more missiles, and do not want disarmament.

It is my hope, and the hope of the members of my club, that you gentlemen consider taking up the question of amending the Federal Reserve Act, and to give the general (Holdridge) an ample opportunity to present his case before your bodies * * * in his fight to declare the Federal Reserve Banking System (as it exists today) null and void.

I respectfully thank you,

Sincerely,

A. MARTIN,
National Dividends Union.

HOLDRIDGE NEWS NOTES

Holdridge Foundation For The Advancement Of Social Sciences
Post Office Box 1086, Sherman Oaks, Calif.

No. 23

December 1, 1957

CALL TO ARMS—OFFENSIVE AGAINST THE FEDERAL RESERVE BANK

I. Purpose

This special edition of news notes is intended as the opening gun of a campaign against the unconstitutional Federal Reserve bank. The campaign will continue until this criminal institution is utterly destroyed, and our monetary system and economy returned to the sovereign people. This may be your last opportunity to participate in nonviolent action to defend our Constitution.

II. Depression and tax strike

The fact of depression is already admitted by most responsible public officials and by labor and industrial leaders. Many conclude that it will be good for us, that it will be a good thing, that it will not be serious—millions of unemployed, with consequent mass destitution, not serious. Depression, like a creeping paralysis, has already struck at the extremities. When it strikes at the heart our economy will surely perish. In this desperate situation the drive for a tax strike grows from day to day throughout the Nation. In Los Angeles the situation has become so ominous that city and county treasuries are empty, and citizens groups are demanding impeachment of public officials responsible.

III. Opportunity for action

In this crisis the perfect opportunity for action is presented in the pending hearings of the House Ways and Means Committee of which Congressman Jere Cooper is chairman, scheduled to commence on January 7, 1958. I have asked permission to testify before the committee, as an individual exercising my constitutional right to petition for a redress of grievances on the issue of confiscatory taxation, as an enforcement officer sworn to defend the Constitution, and as a spokesman for "Minute Men for the Constitution" of which I am president. I have not yet received official notification either way, but I will not be thwarted in my duty to testify in defense of the Constitution. I hope to be accompanied by 1, and perhaps by 2, outstanding economists.

IV. Target for attack

The objective of the attack will be the total and immediate outlawing of the unconstitutional Federal Reserve bank, established in 1913 by traitorous politicians and financial brigands (I have referred to the latter, properly, as the Forty Thieves of Wall Street), through the abdication by Congress of its constitutional powers over the monetary system of the country. This private corporation of the Federal Reserve bank, and its thousands of affiliates and satellites, has become the instrument of power of international financial monopolists, used to wage economic warfare against the people of the United States, and by means of which they have converted the major physical resources and plant of the country to their own use, have piled up a public debt of \$1,000 billion bankrupting the country, and have piled billions of dollars of private debt, created through credit financing, on top of public debt, shackling our people and unborn generations to their chariot wheel to the end of time.

V. Operation of system

To inform the few who are not familiar with the operation of the system, I inclose a copy of Banker's Magic, written by Councilman Will Kendig, of Los Angeles (deceased). When Abraham Lincoln learned that the private bankers demanded as high as 36 percent interest on loans with which to fight the Civil War, he issued interest-free Greenback currency on the credit of the Nation, and won the war without debt. The business of the Nation might still be conducted, and the defense of the country assured, interest free had not outlaw politicians perjured their oaths to defend the Constitution by surrendering their power over our monetary system to the Federal Reserve bank, which renders no service for the huge sums of interest it receives on the "fountain pen" money it creates with the scratch of a pen, on the credit of the United States.

This is the reason we are a bankrupt Nation, on the verge of economic catastrophe, and faced with a taxpayers' revolt.

VI. Complicity of Vatican

This is not an issue of religion. This is an issue of political and financial outlawry such as the world has never seen. The bureaucracy of the Vatican sides with the outlaws.

In 1932, at the height of the great depression, Pius XI issued this statement, " * * * And let the poor, and all those who at this time are facing the hard trial of want of work and scarcity of food, let them in like spirit of penance suffer with great resignation the privations imposed on them by these hard times and state of society, which Divine Providence in an inscrutable but ever-loving plan has assigned. Let them accept with humble and trustful heart from the hand of God the effects of poverty. * * * " I have written to Pius XII demanding that he recant on this blasphemous, damnable falsification, for in 1932, as today, we lived in a world of God-given abundances. As that time we were slaughtering cattle and standing guard over the carcasses with guns to prevent starving people from eating the meat, and were plowing under crops, in the process "plowing under" people. We are still at it. Did not the Roman Catholic Father Coughlin, of Detroit, arouse the people to this same criminal conspiracy of the Federal Reserve bank, and did not this same Pius XI silence him for daring to do so?

The Ways and Means Committee numbers 8 known—perhaps more—Roman Catholics in its membership, all, presumably, indoctrinated in the Vatican philosophies of ignorance and starvation, all obligated to advance the openly declared Vatican purposes to "make America Catholic," which means to take over the Government of the United States.

To understore this fatal philosophy of poverty, Secretary of Labor James P. Mitchell, a Roman Catholic, stated on November 21 that unemployment will rise early in 1958 as much as 1 million over 1957, but insisted that "the increase will not be serious."

VII. Action

My experience with congressional committees gives me little confidence in the impartiality and sense of duty of their procedures. In my controversy with Chairman Vinson of the House Armed Forces Committee in 1952, he denied me the right to testify against universal military training, and was forced to reverse himself after a host of friends at the grass roots flooded him with letters, petitions, and telegrams. We killed the bill.

Again, in 1956, Senator Hennings started hearings on the issue of church and state. Some of us traveled all the way to Washington to testify, only to learn that he had slammed the door on our faces and run for cover, presumably hiding under some bureaucratic desk along with Senator Langer. The only member of the committee with moral courage to face the situation was Senator O'Mahoney, a Roman Catholic, who was courteous enough to discuss the problem with me for over half an hour. This same Senator O'Mahoney knows more of the financial devilry going on behind the scenes than any man in the United States, and should be on our side, as should every enlightened Roman Catholic in the country. The freedoms established in our Constitution belong to Roman Catholics as well as to others. The Pope has established no immunity to destitution and starvation for Roman Catholic women and children.

Early this year Congressman Doyle, then chairman of the outlaw Un-American Committee of the House, turned his hired gun-slinger (a United States marshal) against me when I, an unarmed public officer fulfilling my duty to defend the Constitution, challenged the unconstitutional violences of his committee. This shall not happen again. It is a scandalous situation that citizens must forever fight for their constitutional right against public officials who have taken a solemn oath to defend the Constitution.

The above presents the general situation in briefest outline. I do not wish to reveal at this time all of my proposed plan of attack before the committee, lest I weaken its effectiveness.

It is useless to expect Congress to act on its own initiative to outlaw the illegal Federal Reserve bank, for Congress has been the instrument of its creation and perpetuation. It is useless to appeal to the courts, for they are deeply committed to protecting the interests of the financial monopolists, and we could be tied up in the courts for a hundred years, while the country degenerated into chaos. It is useless to appeal to the President, for he has furthered every criminal policy advancing the interests of the Forty Thieves. We, the sovereign people, must take the situation in hand and assert our sovereignty.

VIII. What I shall do

In this situation, fulfilling my oath to defend the Constitution, and speaking for millions of inarticulate, voiceless citizens, I shall appear before the Ways and Means Committee, in uniform as an enforcement officer, present my statement in person, reveal the full extent of the monstrous crime perpetrated against the people through the operation of the Federal Reserve Act, name the prime movers of this crime, and present recommendations for action, among them being: (1) To declare the Federal Reserve Act null and void forthwith; (2) to demand that no public official give further aid or comfort to this criminal institution, and warn that I shall bring criminal action in the Federal courts against any who collaborate with this enemy; (3) to demand that this institution, out of the loot it has stolen from the people, reimburse them for every dollar extorted from them; (4) to demand that those guilty of the crime be punished; (5) to demand that the Federal Reserve Banking System, in toto, be repossessed by the United States Government under its right of eminent domain; (6) to demand that Congress initiate immediate action to implement these recommendations, to fill the vacuum in our monetary system when the illegal Federal Reserve bank ceases to exist; and (7) to present a positive program for action for the consideration of Congress.

I shall then present this indictment, in person, to the President of the United States, to the Chief Justice of the United States, to the Attorney General, to other responsible public officials, and to the Chairman of the outlaw Federal Reserve Board.

IX. What I urge each one of you to do: I call for a mobilization of all patriotic citizens against this keystone of the arch of financial and political corruption—the Federal Reserve bank

Meet your responsibilities as members of the sovereign people to check this crime, either by supporting me in my proposals, or by initiating your own action, or forever hold your peace.

Mobilize yourselves, your friends, and your organizations, elder citizens, farm organizations, political groups, monetary reform groups, peace groups, technocrats, labor organizations, and so forth, to participate in this offensive. There are millions of us.

Write letters, circulate petitions, send telegrams, all directed to me in care of Congressman Jere Cooper, chairman, House Ways and Means Committee, using this news notes as the basis of your action, or formulate your own independent action, but speed your views to this committee. Demand the right to testify. There is no more important issue before Congress than the salvaging of our economy and our financial system. Make a drive on all Members of Congress and on public officials at all levels to demand that they get behind this drive to outlaw the Federal Reserve bank.

Make a drive on newspaper publishers, commentators, columnists, bankers, etc., demanding that they cease their obstructionism, collaborationism, neutralism, and get behind this campaign.

Keep up the momentum, come what may, until the cause is won. The dynamics of economic disintegration will demand such action. The avalanche has already started.

Henry Ford stated that if the people of the country knew of the corruption of our monetary system there would be a revolution before morning. We propose to inform them, not for revolution, but to restore lawful government.

This is the issue, and this is the hour. The techniques I have outlined are lawful, and have proven effective in the past, even with short preparation. With more than a month of organized effort we should be able to take Congress by storm.

X. Appeal for support

I appeal for your support; to put power behind the drive; to help distribute materials; to help finance this campaign. Extra copies of this news notes are available at 30 for \$1. The need for funds is urgent. Donations will be much appreciated. Copies of the formal statement to be presented before the committee will be available at that time at 10 cents per copy. Every dollar will be honestly and wisely expended.

To facilitate handling of finances, and to permit me to assume full and personal responsibility, make all contributions payable to me, personally.

Yours, "to defend the Constitution of the United States."

HERBERT C. HOLDRIDGE,
Brigadier General, United States Army (Retired).

BANKERS' MAGIC

(By Will Kindig (deceased) former Los Angeles city councilman)

When we spend \$80 million for a battleship, we issue bonds for the amount and deposit them with a bank, and get credit for that amount, and proceed to issue Government checks for labor and material which goes into construction. Suppose the bonds draw 2½ percent interest and run for 40 years. By the time they are due, we will have paid the bankers \$80 million in interest, for which they have done nothing but make a bookkeeping entry.

So our battleship has really cost us \$160 million, one-half for the vessel and one-half as a present to the bankers. So it is with all public improvements which are financed by bonds. In a like manner, also, we will have to pay for our war twice.

And, remember, you are the victim. You have to dig up the payments for the interest on the bonds each year, by the taxes you pay on your income, gasoline, cigarettes, liquor, amusements, etc. You must like it or you would make some protest to the men who can change it, your Congressmen. For Congress could change this any day.

And that is not all of the bankers' magic. Read a most significant statement by Marriner Eccles, Governor of the Federal Reserve Bank, before a Senate investigating committee. He said, "When the banks take a billion dollars of Government bonds as they are offered, they credit the United States Treasury with a billion dollars, and charge their Government bond account with a billion dollars; or, they create, by a bookkeeping entry, the money with which they buy the bonds."

Also, the Carter H. Harrison Co., investment brokers, of Chicago, in urging their clients to buy bank stocks, say "It is essential only to realize that all banks create out of nothing, the money they lend, even to the Government."

They create the money out of nothing. So the bonds do not cost them anything. When you buy bonds, you pay real money which you have earned and saved, and for which you have given society some service. Just try to create some money yourself, to buy bonds with, and see how quickly you will land in jail.

It might be interesting, in passing, to note that the name "Federal Reserve bank" and naming its head officer "Governor," was probably for the express purpose of fooling the people into believing that the Federal Reserve System is a branch of the Government, instead of a purely private bank, from which the Government receives no revenue, and in the management of which it has no voice.

In April 24, 1944, issue of Time magazine, the statement is made that "All United States national banks earned in 1943, 22.9 percent on outstanding capital stock. Part of the increase is due to the fact that the banks have invested in Government securities." They use the word "invested." They do not reveal the fact that these banks got their bonds for nothing. Incidentally, even with their 22.9 percent earnings, they are so poor that they cannot pay us over three-quarters of 1 percent on our deposits.

You can imagine with what glee the bankers read reports of Congress piling up constantly increasing amounts of appropriations which will have to be financed by bonds. The banker can add to his bank's assets the total value of the bonds which cost his bank nothing, and compute his dividends accordingly.

You donate the bonds to the banker and then pay him interest on them besides.

What do you think of that for a crackpot system? It is the best possible plan, specifically designed to make the rich, richer, and the poor, poorer.

We are proud of our credit, and swell up with pride, when we read that a Government bond issue had been "oversubscribed." But, naturally, the banks will oversubscribe every issue, since they get their for nothing. Naturally, too, the banks want more bonds issued—millions, billions—hundreds of billions. The war furnishes a good excuse for unlimited issues.

In 1863, Congress was cajoled, or threatened, or bribed, into passing the National Banking Act, by which the bankers were given this privilege, which is the greatest special privilege on earth. And Congress can change it at any time. And Congress will do so when enough of you voters demand that the present incumbents do it, or you elect someone else who will do the job.

Proponents of such a change cannot get it before the people through the ordinary channels, because there is not a daily newspaper in the country which dares to print the truth in the matter. They are scared to death of the bankers

and the bankers' influence. Bankers can foreclose mortgages on publishers' homes and printing plants. They can refuse to extend loans. They can influence large mercantile firms and manufacturers to withdraw advertisements, and thus take away the support of the papers. Neither will the radios allow anything to go on the air which might offend the bankers, or expose their graft.

But you voters do hold the real power over Congress. Any Congressman who would receive a hundred letters a day on this subject from his voting constituents, would hurry to get in line, and help Congressman Jerry Voorhis in his plan to have the Government buy out the Federal Reserve bank, and issue our own currency in accord with the constitution (art. I, sec. 8, par. 5). Under the original charter provision of the Federal Reserve Bank, the Government could do this for about \$140 million, and take over all the assets of the system, amounting to some \$29 billion. This would mean that we would be getting about 200 for 1, and it would be one time that a good business deal would be made by and for our Government.

Every time you buy a gallon of gasoline or a package of cigarettes, and every time you go to a movie you have to include a tax which the Government has to take to be sure the Wall Street bankers get their interest. Any time you get tired of it, you can aid in stopping it by writing to your Congressmen.

No doubt we deserve just what we have as a banking system, for we have sat by like morons and allowed it to be put over on us. You fellows who do nothing about it deserve to be gypped. But the trouble is that those of us who do try to do something, have to suffer with you.

Now get busy and write to your Congressman about it; and do it quickly, and do it often.

(Distributed by Minute Men for the Constitution, Sherman Oaks, Calif.)

Mr. HOLDRIDGE. I consider that I am qualified to speak with authority on the issue of taxation, by reason of my training as a student-instructor at West Point and Columbia University, and author on subjects of government, economics, constitutional law, and other areas of social and political life.

I now bring to your attention, formally, my protest against unconstitutional, confiscatory taxation which has carried our country to the brink of economic disaster, and present my indictment against those responsible, for treason against the Constitution of the United States.

The subject of my statement is headed "Indictment of the Federal Reserve Board, its promoters, agents, and accomplices for treason against the Constitution of the United States."

This issue has been before the country ever since our country was first founded. Jefferson fought it and was defeated in it. Andrew Jackson fought it and was defeated in it. Abraham Lincoln fought it and was assassinated as a result of it.

Now we propose, those of us working on this issue, to raise this issue again and lick it, this time. We have no intention of ever yielding. I hope that you will bear with me as I go into the background, the historical background of some of it. It may be a little boring initially, but I do not believe you will be bored before I get finished.

Basic premises established in this statement: Before I can present my analysis of the problem of taxation by confiscation it is necessary to draw a broad picture of our national economy within which the taxation system operates. It is not my purpose to enter into technical details of our tax structure. Instead, I propose to analyze the fundamental purposes for which taxes are levied, and to prove that these purposes clearly and obviously violate the Constitution of the United States. I shall show that much of the tax structure of government at all levels constitutes a crime against our taxpayers in that funds extracted from the pockets of our citizens are expended

for illegal, unconstitutional purposes. If it is demonstrated that such purposes are, in fact, unconstitutional and illegal, it follows that future collections for such purposes must be prohibited immediately, refunds made to taxpayers of amounts fraudulently collected, and individuals guilty of perpetrating the frauds, in government or out, punished from their crimes. If this is a crime, then the guilty must and shall be punished.

Constitutional, legal taxation: As stated in the preamble of our Constitution, the major purpose of government is "to promote the general welfare." Indeed, a broad interpretation of any and all purposes of government specifically mentioned in the preamble, or reasonably implied, would include all functions of government, the final criterion for all legislation being that it contributes to the welfare of all of the people. Obviously, any acts of government which run counter to the general welfare are unconstitutional and illegal. Furthermore, government has no authority to promote the interests of any special groups or individuals if such acts conflict with the general welfare. This applies especially to the constitutional powers of Congress to lay and collect taxes, and to coin money, regulate the value thereof, and of foreign coin.

Economic welfare: The general welfare must include economic welfare. Indeed, this is, and must be, a fundamental requirement, since much of the wellbeing of our people derives from economic factors. To exclude this area of public welfare would negate much of the power of orderly Government, since other functions cannot be dissociated from the economic.

Economic conflict: The conclusion that the Government of the United States must be the final authority over the economy of the country has been challenged by aggregations of selfish individuals who scorn the principle of general welfare and whose purpose has been to convert the economy of the country to their private use. For decade after decade they have dinned into the ears of the people, through their controlled press, radio, and television, and through our schools and other means of indoctrination, two philosophies which would limit and define the economic functions of Government to advance their own purposes:

(a) That government must abstain from interference with private enterprise—that government must keep out of business.

At this point, I should like to remark for the benefit of those small-business men here that there is no free enterprise left in the United States today. It is all very private and very highly concentrated, which is one of the major problems that faces us.

(b) That government, denied the duty to intervene for the economic welfare of the people, must, nevertheless, submit to being used to advance the interest of the private enterprisers, and must assume responsibility for the welfare of those thrown on the economic scrap heap by irresponsible private enterprisers, for which they cannot, or will not, provide.

These two false philosophies have now been so thoroughly ingrained as fundamental principles of economic control that few question their constitutionality or are aware of the fact that through their application constitutional government has been overthrown by subversion.

De jure and de facto economic control: At this present moment in

our history we note that the forces of special privilege have won a complete victory over the Constitution of the United States. We have, in fact, two governments of the country, the de jure Government established under the Constitution, but which has degenerated to such a point that it is subservient to a de facto, illegal, economic authority of private enterprise monopolists which uses the de jure Government as an adjunct and puppet to facilitate advancement of its private interests. We are ruled by a government of usurpers.

Since economic considerations determine to a large degree the motivation of the people, the de facto, illegal government of the private enterprise monopolists is able to determine the domestic policies of the country, and since our foreign policies must be an extension of domestic policies, to determine foreign policies as well, including the major issues of waging international war, and the present threat of guided missile annihilation.

Nature of illegal, de facto economic control: An analysis of the nature of the de facto, illegal economic control will reveal that instead of promoting the general welfare, it operates to destroy the general welfare.

(a) Economic absolutism: Whereas our Constitution provides for government by the sovereign people acting through elected representatives, it is a well-established fact that the entire economy of the country has come into the possession, or under the control, of an economic oligarchy of a few dozen individuals. I have frequently referred to this oligarchy, and properly so, as the "Forty Thieves" of Wall Street, and shall do so in this discussion. This concentration of economic power has been discussed in detail in *Tomorrow's Money*, by Frazer & Morse, in *America's Sixty Families*, by Lundberg, and in numerous other analyses, all pointing to the same inescapable conclusion. Three families alone—the Morgans, Mellons, and Rockefellers—were reported a few years ago as possessing some 60 billions of dollars of liquid assets, sufficient to buy out all small businesses in the country not already owned by the monopolists. The reason they do not choose to buy them out is that they leave the headaches to the small-business men, knowing that they, themselves, reap all of the rewards in the end, anyway, as I shall present later. It is also well recognized that approximately 5 percent of the population—the Forty Thieves—owns 95 percent of the wealth of the country, whereas 95 percent of the population owns a mere 5 percent of the wealth, reducing the mass of our people to the status of the legion of the dispossessed.

(b) Foreign control: It should be noted that economic, financial control is international rather than national. Foreign capitalistic owners who hold investments in our industries, or those of the United States holding investments in foreign countries, have as much power, relatively, as domestic capital. This power, manifested through political channels, serves, in the United States, to impose upon our people foreign policies which may be, and often are, injurious to our own interests.

I should like to interpolate a very interesting thing that happened a couple of weeks ago, when my friend, General Norstad, appeared on the Meet the Press hour. He admitted that he takes orders from 14 foreign nations, that his obligation to the Constitution of the

United States is null and void, which is a terrible admission of an Army man to make over the television.

It should be noted, in fact, that the financial control of our country by the Forty Thieves of Wall Street constitute an international economic entity—an invisible government—without loyalties to any particular state, but using political states all over the world to serve their own financial purposes. I shall clarify presently how this economic, financial control is exercised in the United States.

(c) Purposes: The purposes of the economic monopolists in the United States are diametrically opposed to the general welfare, being directed toward promoting the private, selfish interests of the monopolists, through the operation of the incentive of private profit—of national and international usury, thus subverting the legal purposes of government directed toward the general welfare. These two purposes can never be reconciled.

The subversive nature of the purposes of the monopolists is illustrated by the statement made before a congressional committee by a noted industrialist, that patriotism has no place in consideration when private profits are at stake. It was further established by that revealing statement of Mr. Charles Wilson, late Secretary of Defense, that "what's good for General Motors is good for the United States." It is currently illustrated by the statement of Mr. Carroll Shanks, president of the Prudential Insurance Co., quoted in the New Republic, that "business" may find it necessary to arrange a planned depression, with the implication that it would "do us good," and the more recent statements emanating from the conference of Secretary of Commerce Weeks with prominent industrialists at Hot Springs, Va., and presumably underwritten by Secretary Weeks, that such a planned depression might be a "healthy" thing for the country. Secretary of Labor Mitchell sounds the same note when he reports that at least an additional million will be unemployed by early 1958, but that this will not be "serious." (Destitution for men, women, and children to "do us good," to be "healthy"—"not serious".)

(d) Conflicting principles for economic distribution: The constitutional incentive of promoting the general (economic) welfare involves the obligation of our Government to assure the equitable distribution to the people of the tremendous stockpile of abundances of goods created by mass production technologies. The incentive of distribution of the illegal, de facto economic control, on the other hand, involves the perpetuation of the incentive of profits, which can function only under an economy of scarcities. Here is the dilemma of the private enterprise monopolists: profits can be made only when supply is less than demand—when goods are scarce. Profits cannot be made when supply is greater than demand—when goods are abundant. We have emerged into a new economic era of fabulous abundances which has destroyed the economic foundations of a system of a private profit in a world of scarcities. We are faced with a major national economic crisis, not because there is too little to serve the economic needs of the people, but because we have too much to serve the selfish interests of the Forty Thieves of Wall Street. Our inability to adjust to the significance and potential of abundance is about to destroy us.

And in this tragic situation we find revealed the great crime of the ages: The determination of the Forty Thieves to perpetuate their out-moded system of selfishness and greed based on the profits motive, condemns us to starvation in the midst of amazing abundances. Our subservient, puppet public officials, sworn to defend the Constitution, acting as the agents of the illegal *de facto* government, destroy the general welfare which they are sworn to defend by destroying billions of dollars worth of food needed by our hungry people—killing pigs and cattle initially, dumping food into the ocean, plowing under crops, withholding acreage from the production, burying food in caves, permitting it to rot, burning it—anything to prevent it from falling into the hands of those who created it in the first place and who are in desperate need of it, in order to maintain an obsolete, screwball economy of scarcities which will continue to pay profits to the Forty Thieves. This wickedness of the collaborating Government of the United States in the process of creating artificial scarcities to assure the flow of profits, is so appalling as to constitute a ghastly crime against humanity, and blasphemy against Almighty God—if you still believe in God.

Government by subversion: The extent of the abdication of public officials of their constitutional authority and responsibilities over the economy of the country, involving perjury of their oaths to defend the Constitution of the United States, has been stressed by Mr. Drew Pearson in his reference to "Government by Lobby." The process of subversion of the economic functions of government commences in the White House, where the President is placed in office through the machinations of the invisible government of the Forty Thieves, draws this inspiration from such private enterprises as Barney Baruch (spokesman and manipulator for the monopolists), and recruits his Cabinet members and advisers, by inspiration of the Forty Thieves, from leading industrial and banking organizations. The fact that these individuals disencumber themselves, temporarily, from open ownership and control within their industries in no way changes their loyalties to the usurping economic monopolists, to whom they scurry back as soon as their hitch in government is ended. We have the recent illustration of Mr. Charles Wilson, who is back in his old haunts in General Motors.

The illegal power of the monopolists is strengthened by the infiltration of their agents throughout the executive departments, including the Armed Forces. The process broadens at the base in Congress, to which the people gain access with difficulty, but where the Forty Thieves openly maintain their paid agents whose mission is to promote the purposes of the Forty Thieves, leading to the subversion of the Constitution of the United States.

At this point, I should like to acknowledge to the chairman his great spirit of democracy when he permitted me to come in here at a date which was not originally specified, and give me time to make my statement, whether or not he may agree with it. That is still democracy in action.

It has become an accepted fact that in politics seldom can a man win election to public office without the finances of the money monopolists. The man who pays the fiddler, calls the tune.

We have a classical example in California in the person of Senator Knowland who has become notorious not only as a collaborationist

of the Forty Thieves, but even of forces operating from a base in a foreign country, to the point that he has been referred to as "the Senator from Formosa."

The same process of control by minority pressure groups, under pressure of the Forty Thieves, extends down into State and local areas, where an honest, unfettered candidate generally has as little chance for election as the proverbial snowball in Hell.

My next subtopic is Catholic action. I wish to make it clear here that I raise no criticism of any man's religion whatsoever.

The CHAIRMAN. The Chair is trying to be very patient with you, General. We have a hearing that involves the question of tax revision.

Mr. HOLDRIDGE. Let me go on, then, to the next point, where it comes in on taxation.

The CHAIRMAN. As long as the present occupant of the chair is in the chair, the committee will not enter into the subject of religion in such a manner. If you will, pass on to something that has to do with tax revision, the Chair will appreciate it.

Mr. HOLDRIDGE. I should like to mention in here for the record, without reading the section on Catholic action, that I am not talking on religion. I have all the respect in the world for any religion, and I am not talking about it. I am talking about international politics. The Vatican is an international secular power., and we have a right to mention it.

The CHAIRMAN. I remind you again, General, our subject here is tax revision.

Mr. HOLDRIDGE. Having received that notification, I will go over and pick up. This will, however, be available to the press. Let me go on to the next point that I want to raise here.

Finishing up this question if infiltration—No, I will leave that section, too. Let me go on to the application of the conflict between legal and illegal economic control to the issue of taxation.

What I have said so far has been to orientation—to try to fix the problem of taxation into the general political situation of which it is a part. Having discussed our economic situation in broad outline, I wish to return now to the economic problem of taxation.

The irreconcilable conflict between constitutional, *de jure* economic control, and illegal *de facto* control has been emphasized as necessary to an understanding of the problem of taxation. If it can be shown that the vast sums extracted from our taxpayers have been illegally diverted from promoting the general welfare to promoting the selfish interests of the Forty Thieves, either directly or indirectly, then we are faced with a vast problem of economic reconstruction under positive, constitutional procedures, to replace the existing illegal economic order. At the present time we have no legal constitutional economic order. To prove this point we must analyze briefly our monetary system which has been used by the Forty Thieves, as the instrument for economic outlawry—the Federal Reserve bank.

Federal Reserve bank, instrument of usurpation: The greatest swindle ever perpetrated upon any people, a swindle which is now carrying us over the precipice of economic disaster, was the abdication in 1913 by the Government of the United States, of its authority and responsibility over the monetary system of the country into the hands of international financial monopolists through the establish-

ment, by conspiracy, of the Federal Reserve bank. This Federal Reserve bank has been promoted, falsely and fraudulently, even by Government officials, as a "Federal", a governmental institution. It is nothing of the sort. It is, actually, a private corporation controlled by Wall Street bankers, as their instrument of financial power to exploit the people. The United States taxpayer has even been taxed millions of dollars to construct and maintain their Federal Reserve Building—their marble "Robbers' Roost"—on Constitution Avenue, here in Washington and this committee has been required to find ways and means to extort such funds from our taxpayers. It is this banking system which has served as the instrument of the financial monopolists to usurp the powers of Government.

The Constitution prescribes that Congress shall have power to coin money, regulate the value thereof, and of foreign coin. Congress no longer possesses that authority, having betrayed the Constitution of the United States by abdicating this power into the hands of the private corporation of the Federal Reserve bank.

I shall not attempt to present to this committee the full dastardly record of this crime against the people, because much of it is still veiled in secrecy, and the remainder too voluminous for this brief statement. I refer you to *Tomorrow's Money* by Frazer and Morse, or to any good text on the subject. I shall merely outline salient features of this great betrayal.

I have also here, a little pamphlet, *Lightning Over the Treasury Building*, which also gives the full history of what has taken place.

As early as 1790 Mair Amshel Rothschild said "Permit me to issue and control the money of a nation and I care not who writes the laws." Herein we find stated the basic strategy of the money monopolists to rule the United States and other countries of the world. When, in 1913, Congress abdicated its power to issue and coin money, into the hands of the money monopolists, by that act it abdicated its power over the Government of the United States. When President Wilson signed his name to the Federal Reserve Act, constitutional government came to an end in the United States.

Thomas Jefferson said :

I believe that banking institutions are more dangerous to our institutions than standing armies. * * * The issuing power of money should be taken from the banks and restored to the Government to whom it rightfully belongs.

Abraham Lincoln, who was assassinated by forces who bitterly opposed his policies placing control over our monetary system into the hands of government, stated :

The money power of the country will endeavor to prolong its reign by working on the prejudices (ignorance) of the people until all wealth is aggregated in a few hands and the Republic destroyed.

Woodrow Wilson stated :

Some of the biggest men in the United States are afraid of something. They know that there is a power somewhere so organized, so subtle, so watchful, so interlocked, so persuasive, that they had better not speak above their breath when they speak in condemnation.

Henry Ford stated :

If the American people knew the corruption of our monetary system there would be a revolution before morning.

Justice Louis D. Brandeis stated :

We must break the Money Trust or the Money Trust will break us.

Hundreds of other quotations to the same general effect could be given from prominent, enlightened statesmen of the United States. I have already given the quotation from Pope Pius XI. The money has broken us. There is fear in this committee as I speak these truths, for the Money Trust has a long arm.

Government by swindle: A brief analysis is adequate to show how the private corporation of the Federal Reserve bank has broken us. I presume that members of this committee are fully informed as to the truth. I speak for the record.

The CHAIRMAN. Let me ask you, General, how much more time will you take? You have not discussed the question of taxation.

Mr. HOLDRIDGE. I think I will finish this in 15 minutes, if I may.

The CHAIRMAN. You have had 30 minutes. We have not given any witness before the committee today more time than that.

Mr. HOLDRIDGE. May I give my final recommendations for action?

The CHAIRMAN. If you will summarize them.

Mr. HOLDRIDGE. They are rather short. I should like to read these. There are two phases of recommendations I want to make. One is restrictive recommendations and the other positive action.

On the restrictive end of it, I hereby, as an officer of the United States Army, sworn to defend the Constitution of the United States, declare the Federal Reserve Act of 1913, and supplemental acts, null and void, as constituting a crime against the Constitution of the United States, and against the sovereign people of the United States, and call upon all agencies of government to cease and desist from giving further aid and comfort to domestic enemies who control the Federal Reserve bank.

(2) I hereby declare the properties of the Federal Reserve bank, possessed by theft restored to the people of the United States.

(3) I demand that the Federal Reserve bank, the Federal Reserve Board, and all officials thereunder vacate, forthwith, the building on Constitution Avenue, Washington, D. C., known as the Federal Reserve Building, as trespassers on Government property.

(4) I call upon the Government of the United States to act to require the financial monopolists who established the Federal Reserve Act by fraud and who profited by its machinations by extracting hundreds of billions of dollars in tribute from our taxpayers, to restore all amounts to the people from whom the sums were taken.

(5) I hereby declare the monetary system of the United States reestablished to the control of the Congress of the United States, where it has ever been established, and from which it has never been, legally, separated.

(6) I call upon officials of government—the President, the Congress, the Supreme Court—to initiate action to expose the individuals responsible for this crime of treason. Documentary evidence sufficient to prove this over and over again is available.

(7) I call upon employers to refuse to act as collecting agencies of the Federal Reserve bank to withhold pay from their employees intended to pay interest to the criminal Federal Reserve bank. I call upon all employees to resist such collections. In case of failure of

employers to comply, I call upon employees to strike against such employers until they cease and desist from acting as accessories to the crime.

(8) I call upon all citizens to resist payment of taxes, directed in whole or in part, to perpetuate the criminal Federal Reserve bank, and to act to prevent the payment of any further sums of interest—of tribute—to this criminal institution by the Government of the United States.

I call for the cancellation of all Federal Reserve Board counterfeit money, which it is, admittedly so on the face of it, and replace this with constitutional money.

On the positive side, I make two positive recommendations:

1. With the Federal Reserve bank abolished, and its properties restored to the sovereign people from whom they were stolen, I recommend the establishment, under control of Congress, of a true national bank system, established on an interest-free, service-charge basis to promote the general welfare. Since I am not a banker, I offer no specific proposals for the conduct of the business of such banks, which should be left to experts of integrity and of loyalty to our free institutions.

(2) Convinced that monetary reform deals merely with aggravated symptoms of economic corruption, that monetary reform is not all of the answer, but that it is merely a reflection of the state of disintegration and corruption of our entire competitive economy based on the incentive to profit—usury—I submit that the hour is already long past for dealing realistically with the failure of the profits system. I urge the formation of a citizens' committee of experts and laymen, to undertake prompt and urgent studies to enable us to cut loose completely from obsolete techniques of profitmaking, and to turn to the development of a program of economic action and distribution geared to abundances.

I have a few concluding remarks, but I should like to make this one point as a final emphasis, and I do thank the committee for the time. I hope you will take the trouble to read this, because I consider this an important historical document which I would not present if my duty were not deep in my heart that I feel I must.

At the present time you are being called upon to finance the stepping up of the sputnik program, of guided missiles. For every dollar you put into guided missiles, for every billion you put into guided missiles, you will put a billion into interest. So you have to double the amount of money raised out of the people before this thing is done. There are billions for the billionaires, but there is nothing for the little people the little pensioners who are living in destitution all over the United States, who get no hearing; for the veterans who get no money. We can't spend anything for schools and roads and the rest of these positive things because these big money people must have the preparations for war, and war, itself, in order to preserve their economy.

So I say we have to get back on a new economic basis. We must eliminate this unconstitutional crime reign of the Federal Reserve bank and get back to constitutional government under men such as yourselves who are the true representatives of the people. That is where the Government belongs.

I thank you very much.